these districts are (i) Every village to be provided electricity (ii) Every habitation over 1000 population and above (500 in hilly and tribal areas) to be provided an all-weather road (iii) Every habitation to have a safe source of drinking water (iv) Every village to be connected by telephone (v) 100 lakhs hectares of additional irrigation capacity to be created by 2009 (vi) 60 lakhs house to be constructed for the rural poor by 2009. Thus both the program will include districts which have remained underdeveloped including those in the eastern region of the country.

(e) Apart from the above mentioned schemes, the Backward Regions Grant Fund (BRGF) was launched in August, 2006 to cover 2^0 districts including 170 districts identified as backward by the Inter-Ministry Task Group on Redressing Growing Regional Imbalances.

Survey on effect of big Industries in retail on small shopkeepers

†l24. DR. MURLI MANOHAR JOSHI:

SHRI RAJ MOHINDER SINGH MAJITHA:

Will the Ministei of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that a survey has been conducted on the instructions of Prime Minister's Office to ascertain the effect on the small shopkeepers owing to the entry of big industrialists in the retail market;

(b) if so, when was this survey conducted and the names of cities covered therein;

(c) the name of the institution of which the work survey had been entrusted; and

(d) the facts mentioned in the survey report with regard to the effects being faced by the small shopkeepers?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) to (d) Government has instituted a study to assess the impact of organized retailing on unorganized retail trade through Indian Council for Research on International Economic Relations (ICRIER). The terms of reference of the study are in the statement *(See* below). Government has also commissioned a study to the National Council of Applied Economic Research (NCAER) on Growth linkages of Foreign Direct Investment (FDI) in India which would focus on the impact of FDI on rural economy. The final reports are yet to be submitted by these organisations.

† Original notice of the question was received in Hindi

Statement

The terms of reference of the, study instituted by Government to assess the impact of organised retailing on the unorganized retail

No. 12 (47)/2006-FC
Government of India
Ministry of Commerce & Industry
Deptt, of Industrial Policy & Promotion
(FC Section)

New Delhi, dated the 2nd March 2007

To

The Director & Chief Executive,
Indian Council for Research on
International Economic Relations (ICRIER)
Core 6A, 4* Floor,
India Habitat Centre,
Lodi Road, New Delhi-110003

Subject: The Impact of Organized Retailing on the Unorganized Retail Sector-A Study by ICRIER.

Sir,

I am directed to convey the sanction of the Government of India to a Study to be assigned to the Indian Council for Research on International Economic Relations (ICRIER) **on the Impact of organized retailing on the unorganized retail sector.**

Objective of the Study:

2. There has been considerable growth in organized retailing in the country in recent years and estimates show a much faster growth in the future. Major industrial houses have entered this area and have announced the future expansion plans. Transnational corporations are also seeking to come to India and set up retail chains in collaboration with Indian big companies. Divergent views have been expressed on the impact of the growth in the organized retail in the country. Concerns have been raised that the growth of organized retailing may have an adverse impact on the retailers in the unorganized sector. It has also been argued that growth of organised retailing will yield efficiencies in intermediary stages enabling higher prices or access to markets to producers (including farmers or small producers) or lower prices to consumers. To reconcile such variations, an in-depth analytical study on the possible effects of organized retailing in India is essential.

Terms of Reference

3. In order to assess the impact of growing organized retail on different aspects of the economy, ICRIER is appointed to carry out a study on organized retail focused on the following:

(i) Effect on small retailers and vendors in the unorganized sector keeping in mind the likely growth in the overall market

(ii) Effect on employment

(iii) Impact on consumers

(iv) Impact on farmers and manufacturers

(v) Impact on prices

(vi) Overall impact on economic growth

ICRIER will analyse the above in the context of a growth scenario of 7-10 per cent per annum in the next 5 years and in the light of practice in other fast growing emerging market economics.

Methodology

4. The study by ICRIER will involve the following:

- Literature survey of existing studies
- 4-5 case studies of established retail chains
- Interviews of major players in the organized retailing, manufacturers, and of producers including associations of farmers.
- Questionnaire-based survey of unorganized retailers, including vendors especially around organized retail shops.
- Questionnaire-based survey of consumers around the organized retail outlets.

Timeline

5. The study is proposed to be time-phased as follows:

1.	Inception	1 March
2.	Literature survey and Questionnaire design	30 March
3.	Pilot Survey	1-15 April
4.	Review Workshop-1	30 April
5.	Survey	I May-15 June
6.	Interim Report	30 June
7.	Review Workshop-2	7 July
8.	Final Report	15 July

Budget

6. Government has approved the budget for the above study is at Rs. 59.80 lakhs which would be met by the Department of Industrial Policy & Promotion.

7. This issues with the concurrence of IF Wing *vide* their Diary No. 4160/AS&FA dt. 1-3-2007.

Yours faithfully,
Sd/-
(Pramila Raghavendran)
Under Secretary to the Government of India
Telefax: 23062327